

EXHIBIT 26

1 A. Again, what Andy told me is that all the adjustments
2 that he made to stand-alone value were in A, B and C and
3 that all of them were based on new information that came
4 out of the forensic investigation .
5 Q. Let's look at B, which is to do with a point which was
6 worth some 1.5 billion on that infographic. This is
7 again a point which is made by reference to the mix of
8 revenue and previous under-investment. It's essentially
9 similar to the points about margins, isn't it?
10 A. It is .
11 Q. It's completely impossible, looking at these
12 descriptions and indeed the information you were given,
13 to come up with any sensible view about how much of this
14 could be attributed to any alleged wrongdoing,
15 wasn't it?
16 A. Again, it's not in the description because the
17 description is saying what we did to the model to make
18 it change, not the cause of us coming in and making the
19 change to the model. What Andy told me was, in the
20 stand-alone value, he only used information that came
21 out of that forensic investigation to determine that the
22 value, stand-alone value went from 9.5 billion to
23 3.5 billion .
24 Q. Now, if we go back to the first item there at A,
25 "Overstated pre-acquisition revenue", this is about the

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1 rebaselining of the revenue backing out hardware sales,
2 SaaS to licence conversions and "other issues". So this
3 is the only block of text that makes reference to any of
4 those points. But we've already discussed yesterday
5 that the purpose of the rebasing exercise was not to
6 determine whether there had been historical
7 misaccounting under IFRS, was it?
8 A. My understanding was it was, as we talked about
9 yesterday. What you have shown me is it was not. But
10 you also showed me a vague phrase about: and what HP
11 management would do with it, or something like that.
12 And I don't know what that means and I don't know what
13 the ramifications are of that, so I think we would have
14 to ask Chris Yelland what the details were underneath
15 that. Because to me, this bullet, backing out hardware
16 sales, the SaaS to licence conversions that were done,
17 it was my understanding that those were adjusted in the
18 rebaselining and some of those were not according to
19 IFRS.
20 Q. How much? You've got no idea, have you?
21 A. I don't know the mix.
22 Q. The truth is that you had no idea under any of these
23 heads of how much could fairly be attributed to any
24 wrongdoing and the announcement you made was reckless
25 because you never commissioned a proper calculation of

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1 that question?
2 A. So I believe I did when I went to Andy and I said -- and
3 Andy said he calculated the stand-alone value relative
4 to at the point in time we did the acquisitions, as he
5 knew the model in detail, and he said the only changes
6 he made were as a result of information coming out of
7 the forensic investigation and that he was confident
8 that at least the \$6 billion was attributable to not
9 just accounting irregularities but misrepresentations
10 that we got during the due diligence process and also
11 disclosure failures where it was not clear in the
12 disclosure as to what was going on.
13 I mean, for example, when you look at the lower
14 growth rate, if you take hardware sales, and then this
15 is what they did on several occasions, not all, took
16 hardware sales and put them in the SEC filings as IDOL
17 product and it was said to us that IDOL product was
18 licence. Licence carries a very high gross margin and
19 operating margin: 90%ish on gross margin. Hardware
20 sales, the way they accounted for it, had a gross margin
21 of something like 11%.
22 Knowing that in fact that bucket wasn't pure IDOL
23 and IDOL was in fact the fastest growing piece of their
24 business, and it was probably the crown jewel that we
25 wanted out of the Autonomy acquisition, that

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1 dramatically changed the growth rates. That is
2 a misrepresentation -- that is a disclosure issue and
3 a misrepresentation.
4 Q. Ms Lesjak, I'm not going to debate with you the merits
5 of this case, that is a matter for the court. I am
6 asking you at the moment -- you're now getting into very
7 long answers. I'm just asking at the moment whether any
8 proper calculation was undertaken before you made this
9 very serious announcement to the market and as
10 I understand it, the whole of your evidence is based on
11 this idea that you had a conversation with Mr Johnson?
12 A. It's not an idea. I had a conversation with
13 Andy Johnson on two different occasions -- one, just he
14 and I, and then with he and I and Marc Levine -- on this
15 exact point.
16 Q. And there are no documents which evidence this
17 conversation, there are no documents going back and
18 forth between you and Mr Johnson raising this question;
19 there is nothing?
20 A. I don't know whether there is or there isn't. All I can
21 tell you is I distinctly remember the conversation in
22 a conference room and he whiteboarded it for me, so I'm
23 very clear that it took place.
24 Q. Did you understand that the work that PWC did in
25 relation to the rebasing exercise was simply to support

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